



FRANCES A. FOSTER, TREASURER
OF THE
COUNTY OF RAPPAHANNOCK

REPORT ON EXAMINATION
OF COMMONWEALTH REVENUES

AS OF
APRIL 30, 2014

Auditor of Public Accounts
Martha S. Mavredes, CPA
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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

May 27, 2014

Debra L. Knick
Incoming Treasurer

Frances A. Foster
Outgoing Treasurer

Board of Supervisors
County of Rappahannock

Independent Auditor's Report

We have examined the accompanying Treasurer Turnover Receipts of Assets of Frances A. Foster, Treasurer of the County of Rappahannock, at April 30, 2014. All records supporting the amounts in the receipts are the Treasurer's responsibility. Our responsibility is to express an opinion based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards include examining, on a test basis, evidence supporting the amounts in the Treasurer Turnover Receipts and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Upon completion of our examination, we determined that the outgoing treasurer did not maintain sufficient internal control over state funds as described below:

Improve Recordkeeping

- As noted in the prior audit, the outgoing Treasurer did not perform monthly reconciliations of her accounting records to the Commonwealth Accounting and Reporting System (CARS) reports provided by the Department of Accounts. Per the month end CARS reports for March 2014, there were discrepancies in the tax categories for State Income 2011, State Income 2012, and Estimated 2013 that needed to be resolved by working with the Department of Accounts and Department of Taxation.
- Additionally funds totaling \$335,541 for State and Estimated Income and Sheriff Fees were not properly recorded with the Treasurer of Virginia and; therefore, not reflected on the CARS reports.

- As previously discussed, monthly reconciliations are a significant internal control which is essential for determining the reliability of information. Appropriate steps to improve internal controls, office security, and to implement usage of the automated system should be implemented.

Section 58.1-3136 of the Code of Virginia requires a turnover audit whenever a treasurer leaves office. The examination was performed to determine the accountability of the Treasurer at April 30, 2014 and to turn over the assets, accounts, and records of the office to Debra L. Knick, the newly appointed Treasurer.

In our opinion, based on our examination, the receipts referred to above present fairly, in all material respects, Commonwealth's assets of Frances A. Foster, Treasurer of the County of Rappahannock, Virginia turned over to the incoming treasurer at April 30, 2014.

AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

COUNTY OF RAPPAHANNOCK, VIRGINIA
TURNOVER RECEIPT OF UNREMITTED COMMONWEALTH COLLECTIONS
FROM OUTGOING TREASURER TO INCOMING TREASURER
At April 30, 2014

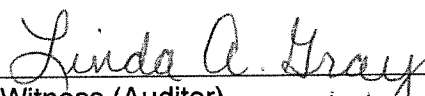
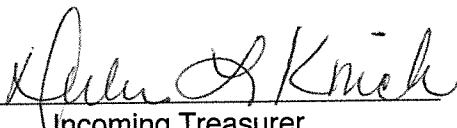
Received of Frances A. Foster, Outgoing Treasurer of the County of Rappahannock, Virginia, by Debra L. Knick, Incoming Treasurer of the County of Rappahannock, Virginia, the item or items as hereinafter described and/or listed at the close of business April 30, 2014.

We, having separately checked this receipt, do hereby certify as to the correctness of same and do hereby accept the credit and the charge on account as evidenced by affixing our signatures hereto.

<u>Commonwealth Current Credit Account</u>	<u>Balance</u>
2014 Estimated State Income Taxes	\$22,336.00
2013 State Income Taxes	29,366.00
Share of fees of sheriff and deputies	84.00

Total Commonwealth Current Credit Account	<u>\$51,786.00</u>
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Signed and Witnessed:

 Witness (Auditor) 5/19/14	 5-19-14 Incoming Treasurer
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COUNTY OF RAPPAHANNOCK, VIRGINIA
TURNOVER RECEIPT OF UNCOLLECTED STATE TAXES
FROM OUTGOING TREASURER TO INCOMING TREASURER
At April 30, 2014

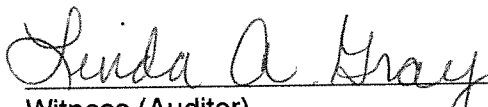
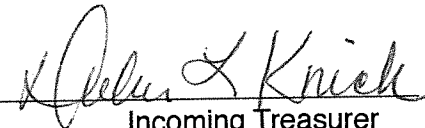
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Year	Base Tax
2013 State Income Taxes	\$759.00
2012 State Income Taxes	830.86

Total (Exclusive of penalty on past due items)	<u>\$1,589.86</u>
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Signed and Witnessed:

 Witness (Auditor) 5/19/14	 Incoming Treasurer 5.19.14
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